

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary Public

Date: 7/17/2017

GAIN Report Number:

Egypt

Nile Nuggets for July 2017

Report Categories:

Agricultural Situation
Agriculture in the News
Cotton and Products
Grain and Feed

Approved By:

Bret Tate

Prepared By:

Mohamed Hamza

Report Highlights:

- Egypt to Stop Flour Subsidy
- Egypt's Ban on Rice Exports to Continue
- Saudi Arabia Temporarily Bans Imports of Egyptian Strawberries
- Egyptian Government to Encourage Cotton Production and Exports
- Enjoy Stuffed Pigeons

Nile Nuggets

News on Developments in Agriculture and Food in Egypt
July 2017

EGYPT TO STOP FLOUR SUBSIDY: Egypt, the world's largest wheat buyer, will stop subsidizing flour for its sweeping bread subsidy program next month. The Ministry of Supply announced that the move will cut wheat imports by up to 10 percent by curtailing smuggling. Egypt is looking to tighten its finances as it pushes ahead with a \$12 billion three-year International Monetary Fund loan tied to ambitious reforms such as subsidy cuts and tax increases. In an attempt to reduce waste, next month the state will stop subsidizing the flour used by bakeries offering the subsidized bread. Instead, subsidies will be tied to the actual bread purchased by consumers. The Ministry hopes that the new measure will remove the incentive for smuggling flour, cutting down on waste and helping to save the state up to LE8 billion (\$447 million) on its 2017-18 food subsidy bill. Currently, 2017-18 food subsidies are expected to reach LE85 billion (\$4.7 billion). In addition, the Ministry expects that the lower flour consumption will translate directly into reduced imports.

EGYPT'S BAN ON RICE EXPORTS TO CONTINUE: Egypt will keep in place a ban on the export of rice during the coming harvest season, according to Ministry of Supply and Internal Trade. Since 2008, Egypt has banned exports of rice in order to preserve stocks for the local market and to discourage growing of the crop to save water. Minister of Supply and Internal Trade told local media that the government is interested in securing the needs of Egyptian consumers and building strategic reserves of domestic rice. The statement added that market forces would determine local prices for buying rice from farmers.

SAUDI ARABIA TEMPORARILY BANS IMPORTS OF EGYPTIAN STRAWBERRIES: Saudi Arabia has decided to temporarily ban imports of strawberries from Egypt due to the presence of pesticide residues. Authorities said that lab tests revealed high levels of pesticides, in excess of Codex limits. Egyptian authorities are in talks with Saudi officials to resolve the issue. Egypt confirmed that a new system will be implemented, which will boost the quality of agricultural products for local customers as well as for exports to international markets.

EGYPTIAN GOVERNMENT TO ENCOURAGE COTTON PRODUCTION AND EXPORTS BY INCREASING AREA AND PRICES: This month, President Abdel-Fattah al-Sisi chaired a meeting to discuss means to support the expansion of cotton production and textile manufacturing as a way to boost the national economy. Sisi ordered a reasonable price to be set for the supply of cotton from farmers to encourage them to expand the cultivation of this vital crop in the coming years. The expanded production is needed in order to cover demand of the local and export markets. Following the meeting, Ministry of Public Sector Affairs announced that the Holding Company for Cotton, Spinning, and Weaving and its affiliated companies are ready to buy cotton from farmers. The company is offering LE2,300 (\$127.7) per *qintar* (or \$619.3/bale) for long and extra-long staple varieties grown in the Delta region and harvested in July 2017. They are offering LE2,100 (\$116.6) per *qintar* (\$565.5/bale) for the short and medium staple cotton grown in Upper Egypt.

ENJOY STUFFED PIGEONS (Hamam Mahshi): When ordering your first *hamam mahshi*, you must be careful when pronouncing *hamam*, which is the Arabic word for pigeon. The word can easily be

confused for *hammam*, the Arabic for bathroom! Egyptians have three recipes for the famous miniature fowl: rice stuffed pigeons (*Hamam Mahshi Roz*), green wheat stuffed pigeons (*Hamam Mahshi Freek*), and grilled pigeons (*Hamam Mashwi*). The majority of Egyptians prefer the stuffed pigeon whether with rice or green wheat. The idea of eating pigeon is not a new one. Egyptians have been consuming them since about 3000 BC. Even then pigeon was considered a delicacy amongst the pharaonic people. Today it is still viewed as a delicacy, though it's not your everyday kind of meat - it's the bird you cook when you want to impress guests.



Stuffed Pigeons



Pigeon Towers

Egyptian pigeons are bred only for human consumption. All throughout the countryside, you can find small adobe towers where farmers raise pigeons. In the city, some still maintain a small holding area on rooftops for their pigeons. Egyptian pigeons are usually small in size and don't have much meat, in spite of a very distinct (and arguably delicious) flavor. Since they are quite small, people usually eat at least two per serving.

Crop News

- **Egypt expects to produce about 6.5 million tonnes of paddy rice:** Ministry of Supply and Internal Trade said that Egypt expects to produce 6.5 million tonnes of paddy rice this season, a jump from the roughly 5.1 million produced last year. This year, Egypt planted a total area of 1.8 million feddans (756,000 ha) which will enable Egypt to double its rice production. A Supply Ministry spokesman said the planted area will yield about 4 million tonnes of white rice, the consumption of which is expected at 3.3 million tonnes, allowing for a 700,000 ton surplus.
- **Egypt expects to produce 2.3 million tonnes of beet and cane sugar:** Ministry of Agriculture and Internal Trade said that Egypt expects to produce 2.3 million tonnes of beet and cane sugar this year and aims to import less than last year's 800,000 tonnes. Egypt consumes around 3 million tonnes of sugar per year but produces just over 2 million tonnes, with the gap filled by government and private imports.